MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

November 2003

DATA SYSTEMS & ANALYSIS

Data Base and Software Development

Medical Care Data Base
The Commission's data base contractor has completed initial edits on the professional services component of the Medical Care Data Base. These data systems will be used in the legislatively mandated analysis on the adequacy of private payer reimbursement relative to costs (HB 805) and to the Commission's annual report on practitioner utilization.

Board of Pharmacy – Web-Based Renewal Initiatives
The Board of Pharmacy launched the pharmacist and pharmacy renewal web applications on November 10. Both of these applications are designed by MHCC staff. Pharmacies will renew licenses over the next sixty days. Pharmacists have rolling renewals on their licenses based on their date of birth.

2002 LONG TERM CARE SURVEY TRACKING
11/13/2003

Start Date	8/21/2003
Days Left	-24
Ending Date	10/20/2003

Tracking	All	Comp	Assisted	Comp/Assist	Adult	Extended	Subacute	Chronic
Not Started	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
In Progress	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
Completed and Under Review	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
Rejected and Being Corrected	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
Corrected and Under Review	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
Completed and Accepted	680 100 %	214 100 %	308 100 %	14 100 %	115 100 %	3 100 %	19 100 %	7 100 %
Total Surveyed	680	214	308	14	115	3	19	7
Exempted	11	0	9	0	0	0	2	0
Total LTC Facilities	691	214	317	14	115	3	21	7

Maryland Long-Term Care Survey
The Maryland Long Term Care Survey is complete. All facilities have reported or provided documentation that allowed MHCC to issue exemptions. Only about 50 facilities needed

additional time to complete the survey in this year and, in general, response to the Web-based survey was very positive. Information from the survey will be added to the MHCC Nursing Home Quality Reporting System in January. Norm Ringel and his staff are commended for their fine work. The table summarizes the status of reporting facilities as of November 13, 2003.

MHCC Homepage Redesign
Staff completed an overhaul of the MHCC website in order to make it easier to find information based on the content subject. Previously, the website was organized by the divisions of the Commission requiring the user to know the structure of the MHCC and then search within that structure for specific content. Content is now organized by topic areas of interest such as Consumer Information, Health Insurance, Electronic Data Interchange, HIPAA, etc. The website was also revised to conform to DHMH guidelines, which require copyright information, date of last update, and identification of file formats on each page. A search engine is provided, as well as links to general items such as the MHCC meeting schedule, contacts, directions, and a MHCC overview. New to the website is a panel of specific topics of interest that are linked to the documents directly. These topics include: Acute Care Hospitals, Cardiovascular Care, HMOs, Long Term Care, Obstetrical Services, and Prescription Drugs.

Cost and Quality Analysis

State Health Care Expenditures
Staff will release the 2002 State Health Care Expenditures Report in January. Preliminary estimates from the project show a slight moderating in rate of growth for health care spending in 2002. Maryland experienced an 11.8 percent growth in 2001 compared to a growth rate of about 10 percent for the US. In 2002, we expect to see some slowing in public spending, particularly in the Medicare program.

A new component of the spending report will be a first attempt to translate the impact of increased spending on health insurance premiums. The MHCC is required under law to benchmark the cost of the CSHBP to the Maryland average wage. In the 2002 report, the MHCC will attempt to develop a measure that will characterize change in the broader insurance market.

HRSA-related Activities
This month, staff completed work on the division's annual report, *Health Insurance Coverage in Maryland*. The report provides the most current information on the insurance status of nonelderly residents during 2000-2002. This year's report contains much more information than reports from previous years, and the information is organized to meet the needs of those who wish to understand broad patterns and trends in coverage, as well as those who require more detailed information. The report contains figures that highlight who is at risk of being uninsured, followed by tables containing detailed information on insurance coverage by income, demographic characteristics, and employment status. HRSA funds are being used to pay for report design and printing. The Madison Group – which created the Commission's logo – was awarded the contract for report design.

Maryland experienced an increase in its 2-year-average uninsured rate during 2000-2002, from 11.3 to 12.8 percent for all residents, and from 12.8 to 14.4 percent among just the nonelderly. (The rate for all residents is lower because it includes the elderly, who are nearly all insured.) A test of year-to-year changes – which need to be interpreted cautiously – indicates that the bulk of the increase occurred from 2000 to 2001. The decrease in health care coverage is attributable to a drop in the percentage of residents with employment-based health insurance. The rates of insurance coverage through other sources were unchanged. The reduction in employment-based

insurance produced a significantly higher proportion and number of nonelderly adults without insurance, but the rate and number of uninsured children was stable during 2000-2002. The distribution of the uninsured by poverty level was also stable. On average, about 690,000 Marylanders were uninsured in 2001-2002, up from 600,000 in 2000-2001. These facts and other selected information from the report were presented to the Health Care Coverage Workgroup at its meeting on November 10.

House Bill 805 – Adequacy of Payments to Provider Costs

MHCC continues work on development of the report that will be presented to the legislature in January. This legislation was triggered by growing uncompensated care, stagnating provider reimbursement across all payers, and increasing costs particularly for nursing and malpractice insurance. Figure 1 and 2 below illustrate part of the issue. As shown in Figure 1, private sector reimbursement rates have remained nearly constant since 1999. Preliminary results for 2002 will show little change—reimbursement has been flat since 2002.

Figure 1 -- Change in Private Sector Physician Reimbursement 1999-2001

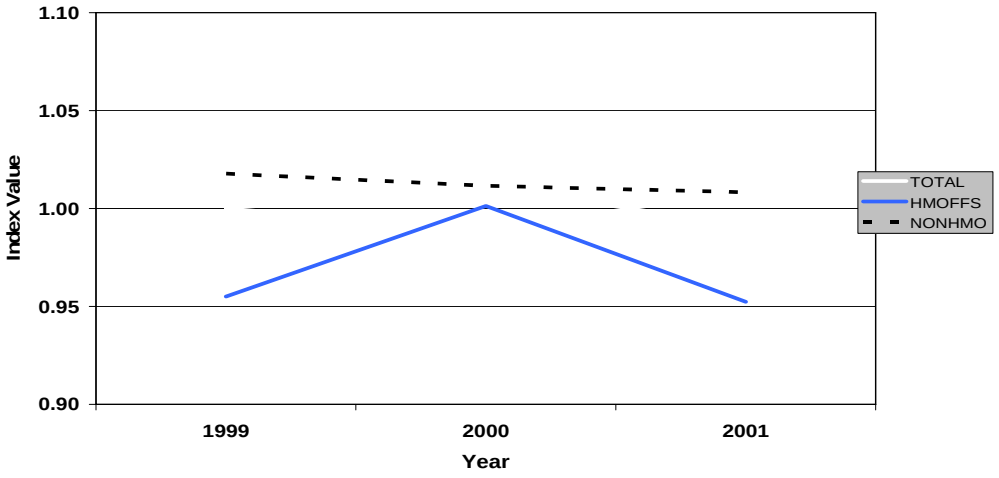

Figure 2 – Medicare Physician Fee Schedule Updates

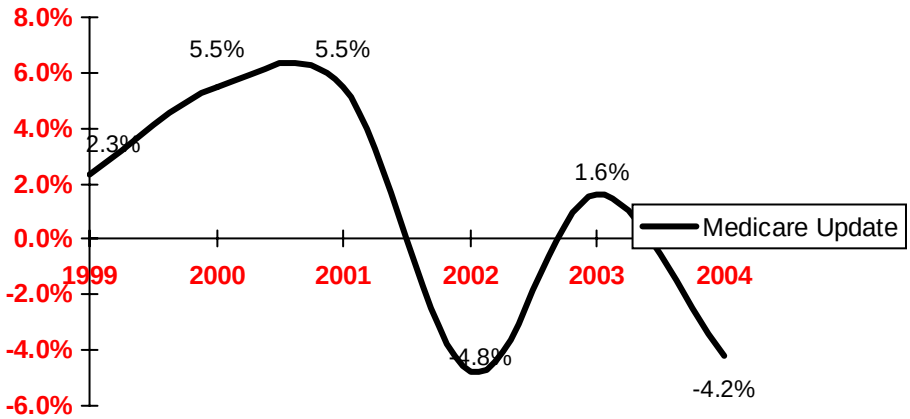

Figure 2 presents the Medicare Fee Schedule adjustments since 1999. Although Medicare increases were significant in the 1999-2001 timeframe, recent adjustments have been small or actual reductions. Compounding the issue for many practices are Medicaid reimbursement levels that do not cover costs and are well below Medicare levels. Specific activities are briefly summarized below:

Study on the Adequacy of Private Payer Payments
The MHCC is conducting a study on trends in private sector reimbursement to provider costs. The Project Hope Center for Health Affairs is conducting this portion of the study. One of the challenges with this research has been obtaining sufficient information on provider costs. MHCC had considered but rejected the idea of conducting its own survey because of the costs and expected low response. MHCC will rely on information previously collected on practice expense collected by the Medical Group Management Association (MGMA) and the AMA. Information on malpractice expense is being provided by a major malpractice insurance company that sells policies to Maryland physicians.

Estimate Cost of Uncompensated Care for Hospital and University-based Physicians
MHCC and HSCRC are working together to prepare these estimates. Emergency room physicians and university-based practices have provided information on uncompensated care. The Commissions expect to report on uncompensated care losses for radiologists, anesthesiologists, pathologists, and emergency room physicians working in hospital or university settings. One major challenge will be identifying a source of revenue to offset uncompensated care.

Prohibitions on Physician Balance Billing for HMO Patients
Staff has completed a study examining whether the state should maintain a prohibition against balance billing of HMO subscribers for covered services. A survey of state insurance agencies on state laws and regulations regarding provider billing of HMO subscribers was conducted. In addition, staff has reviewed the Maryland Attorney General opinions on this issue, as well as spoken with various representatives of key interest groups. Options, along with recommendations to be considered, will be presented to the Commission during its December meeting.

Feasibility of Establishing Floors and Ceiling on Payments
HB 805 also asks the MHCC to consider whether it is feasible for the state to establish minimum and maximum payment rates. This provision asks the MHCC to reconsider the feasibility of establishing a uniform physician payment system in the state. A predecessor commission was mandated to consider the establishment of such a system. After several years of study, that commission rejected establishment of such a system. MHCC will summarize the earlier deliberations and consider whether conditions have changed significantly to warrant reconsideration.

EDI Programs and Payer Compliance

Maryland Trauma Physician Services Fund
MHCC has notified trauma physicians that Medicaid will delay paying 100 percent of Medicare rates on Trauma services until December 1, 2003. This change will affect several hundred trauma physicians that treat Medicaid patients.

MHCC and MIEMSS have met to coordinate data system and administrative procedures needed for MHCC to administer the Trauma Fund. MIEMSS has agreed to provide guidance to Trauma Centers in defining what patients are included in the Trauma Registry. MIEMSS and MHCC are

planning training sessions on completing uncompensated care applications submitted by trauma physician practices. Those sessions will start early next year.

HIPAA Awareness
During October and early November, staff continued to provide support to organizations on HIPAA compliance. Staff completed a variety of activities, including presenting at HIPAA awareness meetings, consulting on HIPAA compliance tools, and assisting organizations in developing HIPAA programs. MHCC staff provided briefings to the following groups over the past month:

- Overview of HIPAA transaction standards to the 60 practice managers at Frederick Memorial Hospital;
- Overview of HIPAA transaction standards to 40 persons on the medical staff at North Arundel Hospital;.
- Overview of HIPAA transaction standards to 12 members of the Maryland Ambulatory Surgical Association;.
- Planning meeting of the Nurse Practitioner Association to further broaden understanding of the HIPAA privacy rules;
- Overview of HIPAA transaction to staff at the Upper Chesapeake Health Systems;
- Overview of HIPAA transaction standards to 30 members of the medical staff at Peninsula Regional Medical Center;
- Overview of all HIPAA requirements (Privacy, Transactions, Security) to 80 members of the Maryland Physical Therapist Association; and
- Reviewed the HIPAA transaction standards for select members of the Maryland Academy of General Dentistry.

Staff continues to identify ways of reaching more providers. Over the past several months, we have identified Web casts as a vehicle for disseminating information on HIPAA and EDI. WebMD agreed to work on this endeavor. In late October, WebMD hosted a Maryland Web cast describing Maryland covered entities' progress in meeting HIPAA requirements. MHCC provided extensive advice on the presentation. Over 100 Maryland-based organizations, ranging from the largest payers and hospitals to small physician practices, signed on to the Web cast. MHCC received very favorable comments on the presentation.

EDI Promotion
As the industry moves into a post-HIPAA implementation environment, promoting the use of EDI has again become a top priority. Providing incentives for paper submitters is one mechanism to increase EDI use. Recently, staff has started a program with CareFirst, Aetna, CIGNA, and MAMSI to identify largest facility and practitioner paper submitters. Staff intends to use this information in developing an EDI expansion initiative for non-EDI submitters over the next several months.

A second imitative will be the development of an EDI services buyer's guide. With the aid of the EDI/HIPAA Workgroup, staff hopes to develop a tool that provides advice for practices interested in acquiring this key technology. Staff intends to release this tool late in the first quarter of 2004.

Benefits and Analysis

Comprehensive Standard Health Benefit Plan (CSHBP)
At the October meeting, Commission staff presented the analysis and staff recommendations on proposed changes to the CSHBP. The Commission approved the staff recommendations along with the proposed draft regulations to be published in the *Maryland Register* on December 26, 2003, subject to a 45-day comment period. At the November meeting, Commission staff will present the annual review of the CSHBP, including this Commission action. The Commission will take final action at the February or March 2004 public meeting. All adopted changes to the CSHBP will be put into regulations and implemented, effective July 1, 2004.

The enactment of Chapter 93 of the Laws of Maryland 2003 (SB 477), requires the Commission, in consultation with the Maryland Insurance Administration (MIA), to analyze and make recommendations on the administrative expenses in the small group market including the amount and distribution of administrative costs, strategies for lowering these costs, and the appropriateness of the medical loss ratios. A draft of this report will be presented at the November meeting for release for public comment. The report is due to the legislature in January. In addition, the Commission must prepare a report outlining the methodology used by the Commission in developing the CSHBP, and the feasibility of creating a "Basic Plan" in addition to the CSHBP.

Commission staff has developed a website to be used as a guide for small business owners in their search for health insurance for their employees. This "Guide to Purchasing Health Insurance for Small Employers" is available on the Commission's website at: www.mhcc.state.md.us/smgrpmkt/index.htm. Commission staff has developed a bookmark describing information available on the small group website. This bookmark has been distributed to various interested parties, such as small business associations, chambers of commerce, the Maryland legislature, the Department of Labor, Licensing and Regulation (DLLR), and the Department of Business and Economic Development (DBED). As a result of the initial mailing, many of these organizations have requested additional bookmarks to distribute to their constituents.

Evaluation of Mandated Health Insurance Services
At the November 2002 meeting, Mercer presented its evaluation of mandated health insurance services as to their fiscal, medical and social impact, along with all proposed mandates that failed during the 2002 General Assembly session to the Commission for release for public comment. At the December 2002 meeting, the Commission approved the report for release to the legislature, after some modifications to the Executive Summary. The final report was sent to the General Assembly in January 2003, and is available on the Commission's website at: www.mhcc.state.md.us/cshbp/mandates/finalmercerreport02.pdf.

The 2003 General Assembly passed HB 605, "Evaluation of Mandated Health Insurance Services." As a result, of the Insurance Article was repealed; therefore, the Commission is no longer responsible for conducting a full review of each existing mandate if the 2.2-percent affordability cap is exceeded. However, § 15-1501 remains in effect, which requires the Commission to assess the fiscal, medical, and social impact of any mandates proposed by the 2003 General Assembly along with any other requests submitted by legislators as of July 1. Additionally, HB 605 reestablished § 15-1502, requiring the Commission to evaluate all existing

mandates every four years, in terms of the following: (1) an assessment of the full cost of each existing mandate as a percentage of Maryland's average annual wage, as a percentage of individual premiums, and as a percentage of group premiums; (2) an assessment of the degree to which an existing mandate is covered by self-insured plans; and (3) a comparison of Maryland mandates to those provided in Delaware, the District of Columbia, Pennsylvania, and Virginia based on number of mandates, type of mandate, the level and extent of coverage for each mandate, and the financial impact of differences in level of coverage for each mandate.

A draft of the annual report on mandated services and the HB 605-required report will be reviewed later in today's meeting and released for public comment. These reports are due to the legislature in January.

Legislative and Special Projects

Uninsured Project

DHMH, in collaboration with MHCC and the Johns Hopkins School of Public Health, was awarded a $1.2 million State Planning Grant by the Health Resources and Services Administration (HRSA). HRSA is the federal agency that oversees programs to ensure access to care and improve quality of care for vulnerable populations. The one-year federal grant provides Maryland with substantial resources to examine the state's uninsured population and employer-based insurance market and to develop new models to make comprehensive health insurance coverage fully accessible to all Maryland residents.

Among the several activities, the grant will enable DHMH and MHCC to conduct further analysis of existing quantitative data sources (Maryland Health Insurance Coverage Survey, MEPS-IC, and CPS), as well as collect additional data that will help us design more effective expansion options for specific target groups. In addition, we have conducted focus groups with employers in order to better understand the characteristics of firms not currently participating in the state's small group market. For those firms currently participating in the CSHBP, issues were probed relating to costs of coverage and knowledge of the base CSHBP. In an effort to increase the take-up rate in the small group market, marketing materials were presented to the focus groups for review and modification. Shugoll Research was selected as the vendor to conduct these focus groups. The focus groups were completed on Friday, February 14, 2003, with over 70 employers and 20 brokers participating. A report summarizing the findings from the focus groups is available through a link on the Commission's website.

A fifth meeting with the Health Care Coverage Workgroup was held on November 10, 2003. This group, appointed by the former Deputy Secretary for Health Care Financing, is comprised of members who represent the provider, business, health care advocacy, and health care research communities in the state. During the November meeting, staff from the MHCC presented data on Maryland's uninsured population and the recent proposed changes to the Comprehensive Standard Health Benefit Plan. In addition, staff from the Johns Hopkins University presented findings from the cost of the uninsured study. Nelson Sabatini, Secretary of DHMH, spoke to the workgroup on his vision of health care reform in Maryland. The next meeting with the Workgroup will be in January 2004.

The grant team was awarded a one-year, no cost extension of the project timeline, with an interim report submitted to the Secretary of the Department of Health and Human Services this month and the final report due in July 2004. The final report must outline an action plan to continue improving access to insurance coverage in Maryland.

Patient Safety
Chapter 318 (HB 1274) of 2001 requires the Commission, in consultation with DHMH, to study the feasibility of developing a system for reducing preventable adverse medical events. A Maryland Patient Safety Coalition was initiated by the Delmarva Foundation and served as the Commission's sounding board for its activities related to patient safety. Three workgroups were formed: one to look at issues related to systems changes to be recommended; one to address current regulatory oversight and reporting requirements; and a third to discuss issues related to a proposed Patient Safety Center.

A preliminary report, approved by the Commission at the December 2001 meeting, was sent to the General Assembly. One of the preliminary recommendations has been enacted by the General Assembly and signed by the Governor. That bill removes the medical review committee statute that applies to all health care practitioners from the BPQA statute, where it is currently codified, and places it in a separate subtitle within the Health Occupations Article to make practitioners more aware of the protections available to them. It also codifies case law to clarify that certain good faith communications designed to lead to remedial action are protected even when they are not made directly to a medical review committee or committee member, but are nevertheless designed to remedy a problem under the jurisdiction of a medical review committee. The final report has been approved by the members of the Commission and was submitted to the members of the Maryland General Assembly in January. Commission staff briefed two Legislative Committees – the House Health and Government Operations Committee and the Senate Education, Health, and Environmental Affairs Committee – on the study. A bill was introduced in the House to grant medical review committee status to the Maryland Patient Safety Center, as designated by the Commission. This bill will grant protections against legal liability and disclosure of information. It passed out of both Houses and was signed into law by the Governor.

The Maryland Patient Safety Coalition met in November and discussed the status of various activities the Coalition is undertaking. MHCC staff is working with the Coalition on the development and implementation of several activities. In addition, John Riling, CEO of St. Joseph's Community Hospital, in Wisconsin, spoke to the Coalition about incorporating patient safety into the design of the new St. Joseph's Hospital. The Coalition will meet again early next year.

Commission staff has released a request for proposal (RFP) to designate the Maryland Patient Safety Center. Offerors are asked to submit proposals outlining their qualifications and projected workplan for the Center by December 2, 2003. Criteria for the award are specified in the RFP and will be the basis for the designation. Federal grant funding was not awarded.

Facility Quality and Performance

Nursing Home Report Card
Chapter 382 (SB 740) of 1999 requires the Commission, in consultation with the Department of Health and Mental Hygiene and the Department of Aging, to develop a system to comparatively evaluate the quality of care and performance of nursing facilities. The web-based Nursing Home Performance Evaluation Guide is available through the Commission's website. The Guide includes a Deficiency Information page, data from the Minimum Data Set (MDS) and the MHCC Long Term Survey, as well as an advanced search capability, allowing consumers to search by facility characteristics and certain services.

The Commission participated in the Centers for Medicare and Medicaid Services (CMS) pilot program with five other states from April though early November 2002. At the conclusion of the pilot, CMS conducted a national rollout of the CMS Nursing Home Quality Initiative on November 12, 2002. The Commission's website was subsequently updated in January 2003 to reflect the final CMS Nursing Home Quality measures. Seven of the ten quality measures reported on the CMS website are featured on the Maryland Guide in the same format as the current Quality Indicators are, utilizing the symbols that separate the top 20%, bottom 10%, and all others.

The quality measures, quality indicators, and deficiency report data were all updated in September 2003 to reflect the most recently available data.

Evaluation of the Nursing Home Guide: On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the nursing home performance evaluation guide. The purpose of this procurement is to conduct interviews with consumers and discharge planners to test the Guide in real-time with respondents using computers. The contractor will provide a written analysis of the findings to: (1) evaluate consumer/professional usage, preferences, and understanding of the Guide; (2) determine ease in navigating through the website; (3) develop recommendations to improve the Guide; and (4) recommend outreach strategies to increase the utilization of the Guide. The evaluation should be completed in April 2004.

Nursing Home Patient Satisfaction Survey: The Commission is also contracting for the development of a nursing home patient satisfaction survey or the recommendation of an existing tool that provides information for consumers that can be integrated into the Maryland Nursing Home Performance Evaluation Guide by: (a) reviewing and summarizing existing nursing home satisfaction surveys and implementation processes developed by the federal government, state agencies, other public organizations and private entities or organizations; (b) discussing the cost of administration for each approach; (c) identifying the strengths and weaknesses of the various approaches and indicating whether a similar approach is feasible in Maryland; (d) designing or modifying a survey tool; and (e) proposing a plan for administering the tool including estimated implementation costs and timelines. This project is expected to conclude in August 2004.

Steering Committee: The Nursing Home Performance Evaluation Guide Steering Committee met on November 6, 2003 via conference call to provide input on the implementation of the two new projects. The Steering Committee also reviewed the new National Quality Forum (NQF) consensus measures for nursing home quality. These measures have been adopted by CMS for public reporting. The Steering Committee agreed to accept the new measures for reporting on the MHCC Guide as replacements for the similar currently-displayed quality indicators and quality measures. The Committee also recommended a review of the MHCC quality indicators to determine which indicators remain relevant in view of the recent consensus recommendations.

Hospital Report Card

Chapter 657 (HB 705) of 1999 requires the Commission to develop a performance report on hospitals. The required progress report was forwarded to the General Assembly. The Commission also contracted with the Delmarva Foundation, in partnership with Abt Associates, to: (1) analyze hospital data to develop appropriate indicators for inclusion in the Hospital Performance Evaluation Guide, and (2) design and execute a consumer-oriented website for the Guide. The initial version of the Hospital Performance Evaluation Guide was unveiled on January 31, 2002.

A new edition of the Hospital Guide was released during a press conference held on May 16, 2003. The revised Guide includes quality of care information specific to the treatment and prevention of congestive heart failure and community acquired pneumonia including individual hospital rates, the state average, and the highest rate achieved by a hospital for each of the measures. The first sets of conditions were selected from the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) ORYX initiative, which collects quality of care information from hospitals in a method designed to permit rigorous comparisons using standardized evidence-based measures.

The Hospital Guide continues to feature structural (descriptive) information and the frequency, risk-adjusted length-of-stay, and risk-adjusted readmissions rates for 33 high volume hospital procedures. DRG data are currently being updated to include admissions occurring between December 1, 2001 and November 30, 2002 and will be posted on the Website in November 2003.

New Core Measures: The MHCC Commissioners approved the release of a call for public comments regarding MHCC's intent to collect JCAHO's acute myocardial infarction (AMI) measures and to investigate obstetrical measures that may be suitable for public reporting. Public comments were received from July 1, 2003 through July 11, 2003. There were no comments submitted that precluded proceeding with the collection of the measures; therefore, hospitals were instructed to begin collection of AMI data effective October 1, 2003.

Obstetrics Measures: The Commission also convened an Obstetrics Workgroup on September 16, 2003 and October 9, 2003 to examine potential structure, process, and outcome measures that are appropriate for public reporting via the Guide. The initial set of 42 recommended elements was forwarded to the Hospital Performance Evaluation Guide Steering Committee on November 6, 2003 for review. The Steering Committee approved the elements as presented noting that it was a good place to start but strongly urged further development of valid quality measures.

Evaluation of the Hospital Guide: On August 25, 2003, the Commission contracted with the Lewin Group to perform an evaluation of the hospital performance guide. The purpose of this procurement is to conduct interviews with consumers, primary care physicians, and emergency department physicians to test the Guide in real-time with respondents using computers. The contractor will provide a written analysis of the findings to: (1) evaluate consumer/professional usage, preferences, and understanding of the Guide; (2) determine ease in navigating through the website; (3) develop recommendations to improve the Guide; and (4) recommend outreach strategies to increase the utilization of the Guide. The evaluation should be completed in April 2004.

CMS Pilot Project: The Delmarva Foundation was awarded the 'lead state' status to head a three-state hospital public reporting pilot project initiated by CMS. The Hospital Report Card Steering Committee serves as the steering committee for the pilot. The Committee serves as the primary vehicle for obtaining input and consensus prior to initiating the state specific activities.

As a part of the pilot, hospitals from the three states are currently participating in a patient satisfaction survey. Information from this survey is confidential. The draft survey was developed by the Agency for Healthcare Research and Quality (AHRQ) and draws upon seven surveys submitted by vendors, a review of the literature, and earlier CAHPS work. The pilot project began with a public call for measures in October 2002. The actual survey process began the first week of June 2003 and concluded in August 2003. The survey data are now being analyzed for expected release in November 2003.

Following completion of the pilot, the Maryland Hospital Report Card Steering Committee will evaluate the results of the study to determine if the instrument will meet the needs of Maryland consumers and to determine the best method of incorporating the data into the existing *Maryland Hospital Performance Evaluation Guide.* If the pilot is successful, Maryland residents will have another source of information with which to make important healthcare decisions.

In addition to the Pilot Project, a national coalition of healthcare organizations, including the American Hospital Association (AHA), the American Association of Medical Colleges (AAMC), the Federation of American Hospitals (FAH), the National Quality Forum (NQF) and the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), are participating in a voluntary initiative that encourages every hospital in the country to collect and publicly report quality information.

The "starter set" of measures draws from three of JCAHO's Core Measure Sets: Acute Myocardial Infarction (AMI), Congestive Heart Failure (CHF) and Community-Acquired Pneumonia (CAP). This information, in addition to being on the MHCC website, was released on the CMS Website (www.medicare.gov) on November 6, 2003.

Other Activities: The Facility Quality and Performance Division is also participating in the planning process for a new Health Services Cost Review Commission (HSCRC) Quality Initiative designed to evaluate and recommend a system to provide hospitals with rewards and/or incentives for high quality care. Staff attended the first Quality Initiative Steering Committee meeting and participated in subsequent conference calls.

Ambulatory Surgery Facility Report Card

Chapter 657 (HB 705) of 1999 also requires the Commission to develop a performance report for Ambulatory Surgery Facilities (ASF). The Commission developed a web-based report that was also released on May 16, 2003. The 2002 data are now available and will be added to the site in December.

The website contains structural (descriptive) facility information including the jurisdiction, accreditation status, and the number and type of procedures performed in the past year. The site will also include several consumer resources.

An ASF Steering Committee was convened to guide the development of the report and will consist of representatives from a multi-specialty facility, a large single specialty facility, an office based facility, a hospital based facility, and a consumer representative. An exploratory meeting was held with a subset of this group in January 2003. Subsequently, the Steering Committee provided input on several of the proposed web pages including a consumer checklist, glossary, and list of resources.

HMO Qualify and Performance

Distribution of HMO Publications

Distribution of 2003 HMO Publications – released September 29, 2003

Cumulative distribution – publications released 9-29-03	9/29/03 - 10/31/03	
	Paper	Web-based
Measuring the Quality of Maryland HMOs and POS Plans: 2003 Consumer Guide **(25,000 printed)**	15,069	Interactive version Visitor sessions = 792
		PDF version Visitor sessions = 974
2003 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland **(700 printed)**	311	Visitor sessions = 360
Measuring the Quality of Maryland HMOs and POS Plans: 2003 State Employee Guide **(60,000 printed)**	60,000	

2003 Policy Report (2002 Report Series) –
Released January 2003; distribution continues until January 2004

Policy Report on Maryland Commercial HMOs & POS Plans **(1,200 printed)**	1/16/03—10/31/03	
	Paper	Web-based
	801	1,254

Distribution of Publications
Distribution was robust throughout the month of October. Staff received more than one hundred separate requests from consumers, while more than twelve hundred visitors downloaded electronic copies of the *Consumer Guide*. Additionally, academic libraries and programs of two and four-year institutions received shipments of the *Consumer Guide*. Completing the regular fall distribution cycle, all public and academic libraries received reference copies of the *Comprehensive Report*.

Outreach at external events presented new opportunities to raise public awareness about HMO comparative information. Several MHCC staff obtained quantities of the *Consumer Guide* to disseminate during scheduled functions. Those staff members attended the Med-Chi statewide conference; the Med-Chi, Montgomery County Chapter monthly meeting; and a podiatry association meeting. Various public events visited by MIA staff for consumer education purposes included distribution of HMO performance materials.

2003 Performance Reporting: HEDIS Audit and CAHPS Survey

Audit of HEDIS Data

HealthcareData.com, LLC (HDC) met with division staff in preparation for the 2004 audit season. A summary report developed by staff supported planning efforts during this meeting. Stemming from interim reports and staff experiences with compliance issues, the report brought focus to areas within the process requiring change. Procedural changes that will be implemented in 2004 include: report frequency and content; notification to plans, and assistance when needed, to complete documentation that triggers NCQA issuance of identifications numbers used for data submission; increased site visits by MHCC staff; and full plan compliance with the CAHPS sample frame validation process (files with conditions will not be accepted by the survey vendor).

HMO Quality and Performance staff provided HDC with a revised "proto-type" tool that combines all of the current MHCC measures into one document. The tool will be provided to plan representatives once the reporting requirements for 2004 are finalized. This tool was developed from feedback by plans and HMO Quality and Performance staff to improve the efficiency and accuracy of the data collection process during 2004.

This company has provided us with an update on changes to HEDIS for 2004. It has also advised us that HDC staff will attend NCQA's Auditor's Update Training Conference in November.

The annual kick-off meeting with health plan representatives and contractors has been scheduled for December 5th for the 2004 reporting year. Staff from HDC will give an over-view of changes in procedures and measures, as well as demonstrate the newly created MHCC-specific data collection tool. Staff from Synovate, the survey contractor, will detail the implications of poorly produced enrollment files and declining survey response rates.

Consumer Assessment of Health Plan Study (CAHPS Survey)

Staff has begun reviewing the CAHPS survey instrument and MHCC-specific questions included in the 2003 survey. Plans will receive notification this month to confirm use of or to amend any supplemental questions they used previously. Associated correspondence will be edited where needed.

Report Development Contract

MHCC staff continues to work with NCQA in creating the *Policy Report*. The design and layout will match the features used in the *Consumer Guide*. Content issues have been raised on several occasions, but delays have not resulted. Release of this report will coincide with the convening of the upcoming legislative session.

HEALTH RESOURCES

Certificate of Need

During October 2003, staff continued review of Certificate of Need applications filed over the past several weeks.

Acute and Ambulatory Care Services

A working paper titled *Recommended Changes to the Acute Care Bed Need Projection Methodology, and the 2010 Bed Need Forecast* was released at the October Commission meeting. This report describes recommended changes to the regulations governing acute care bed need projection methodology. Staff is seeking comments on the recommended changes through an informal public comment period. The deadline for submission of comments on all the proposed changes to the regulation, as described in the report and shown in the attached regulation, is 4 p.m. on Monday, November 24, 2003.

The acute care bed need methodology is a component of the State Health Plan chapter on Acute Care Services, COMAR 10.24.10.07. It describes the process and policies involved in calculating a forecast of future bed need for acute medical/surgical beds and for pediatric beds. Two types of changes are recommended. The first set of changes include new "target values" (the expected future values of hospital discharge rates and average length of stay), which are routine inputs to the methodology that are adopted through the regulatory process whenever the projections are revised. The second set of changes are changes to the steps and policies in the methodology, including the scale of bed occupancy rates applied to projected average daily census to calculate gross bed need.

Additionally, the report includes an updated forecast of medical/surgical and pediatric bed need for 2010, which employs the recommended revisions to the methodology. The assumptions concerning future discharge rates and average length of stay, which are variables routinely updated within the regulation whenever an updated projection is developed, are included as part of this updated forecast. The report is available on the Commission's website.

The sixth edition of the *Maryland Ambulatory Surgery Provider Directory* was released at the October Commission meeting, and is now available on the Commission's website and to anyone who requests a printed copy.

On October 27, 2003, staff participated in a workshop sponsored by the Center for Maternal and Child Health, a division of the Department of Health and Mental Hygiene. The workshop was a component of the Title V Block Grant Needs Assessment. Title V legislation requires states to prepare a statewide needs assessment every five years to identify the need for preventive and primary care services for pregnant women, mothers and infants and children; and services for children with special health care needs. The needs assessment workshop involved many agencies with an interest in health care services to these populations.

On October 31, 2003, staff attended the Symposium on Community Health Improvement sponsored by the Institute for Community Health. The symposium brought together hospital, local health department, and other health professionals to address the measurement and evaluation of programs designed to provide community health benefits. Specifically, the symposium addressed the recently enacted Maryland community benefits reporting requirements

legislation. This legislation charges the Health Services Cost Review Commission (HSCRC) with collecting and compiling information on Maryland acute care hospitals to report and evaluate their existing commitments to addressing health and social needs within their communities. The symposium highlighted the common interest in community health improvement efforts of the various health care entities, and the need to bring these groups together to optimize efforts in conducting community health care needs assessments. The HSCRC will compile a publicly-available statewide Community Benefit Report.

Long Term Care and Mental Health Services

Staff of the Long Term Care Division participated in a site visit at Lorien Mt. Airy. A tour was conducted of both the assisted living and skilled nursing sections of the facility. Staff also toured the site of another Lorien facility to be developed in Taneytown. Work is progressing on revisions to the annual hospice survey in preparation for the Commission conducting its own hospice survey for 2003. A meeting has been scheduled for staff to meet with representatives of the Hospice Network of Maryland on November 14, 2003. Several staff meetings have been conducted to review materials supplied by Myers and Stauffer, the contractor developing the MDS (minimum data set) data for use in data and policy analysis in long term care. Myers and Stauffer have built the database to include MDS data from 1999 through 2002. Staff has met with the contractor from Social and Scientific Systems (SSS) as work progresses on adapting the MDS data for use in developing nursing home bed need projections.

Specialized Health Care Services

At its meeting on October 30, 2003, the Commission considered and took action on a proposal to adopt new regulations under COMAR 10.24.17, the State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention Services. Notice of the proposed action will be published in the *Maryland Register* in December. The Commission will provide an opportunity for the public to submit written comments on the proposed permanent regulations for thirty days after the publication of the proposal. The Commission will also hold a public hearing concerning the adoption of these regulations on Thursday, January 8, 2004, in Conference Room 100 at 4160 Patterson Avenue, Baltimore, Maryland.

The Statistical Brief on Cardiac Surgery and Percutaneous Coronary Intervention Services is now available to the public on the Commission's website at http://www.mhcc.state.md.us/openheartsurgery/cardiacstatbrief2003.pdf. The brief is one of a series designed to annually provide data for monitoring the availability and utilization of certain health care resources in compliance with the Commission's State Health Plan for Facilities and Services.

On October 23, 2003, Holy Cross Hospital notified the Commission that the hospital would be closing its autologous bone marrow transplant program due to the program's low volumes and the current changes in indications for autologous transplants. As required by § 19-120(l) of the Health-General Article, Annotated Code of Maryland, and COMAR 10.24.01.03B(1), Holy Cross Hospital will hold a public informational hearing on its intent to close the program.